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## STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2019-

AUTHORIZING THE DEPUTY DIRECTOR OF THE DIVISION OF FINANCIAL ASSISTANCE TO PROVIDE PROPOSITION 1 GROUNDWATER GRANT PROGRAM FUNDING AND SEAWATER INTRUSION CONTROL LOAN PROGRAM FUNDING FOR THE SOQUEL CREEK WATER DISTRICT'S PURE WATER SOQUEL: GROUNDWATER REPLENISHMENT AND SEAWATER INTRUSION PREVENTION PROJECT

### WHEREAS:

1. The Proposition 1 Groundwater Grant Program (GWGP) Guidelines (GWGP Guidelines) were initially adopted and then amended by the State Water Resources Control Board (State Water Board) on May 18, 2016 ([Resolution No. 2016-0028](#)) and December 19, 2017 ([Resolution No. 2017-0075](#)), respectively;
2. The State Water Board adopted the Seawater Intrusion Control (SWIC) Loan Program Guidelines (SWIC Guidelines) on October 23, 1997 ([Resolution No. 1997-097](#));
3. The Soquel Creek Water District (District) is requesting approximately \$50,000,000 in Proposition 1 GWGP implementation funds and \$12,535,011 million in SWIC Loan Program funds for the Pure Water Soquel: Groundwater Replenishment and Seawater Intrusion Prevention Project (Project);
4. The District is the Lead Agency under the California Environmental Quality Act (CEQA) and has complied with CEQA and the CEQA Guidelines by preparing an Environmental Impact Report (EIR) for the Project;
5. The EIR was circulated through the State Clearinghouse (No. 2016112045) from June 29, 2018 through August 13, 2018 for public review and comments;
6. The District certified the EIR, adopted a Mitigation Monitoring and Reporting Program (MMRP), and approved the Project on December 18, 2018;
7. The District filed a Notice of Determination (NOD) for the EIR with the Santa Cruz County Clerk on December 19, 2018 and the Governor's Office of Planning and Research (OPR) on January 23, 2019;
8. The State Water Board is a Responsible Agency under CEQA. A Responsible Agency complies with CEQA by considering the EIR and the MMRP prepared by the Lead Agency and by reaching its own conclusions on whether and how to approve the projects involved. The State Water Board has independently considered the EIR and the MMRP, and is making the following determinations regarding the Project:

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- a. The EIR identified significant and unavoidable environmental effects of the Project related to noise and vibration impacts.
  - b. The EIR includes mitigation measures that mitigate potential environmental impacts to less than significant for all other impacts.
  - c. The Project will not result in any significant adverse water quality impacts.
  - d. Changes or alterations to the Project based on the mitigation measure(s) identified above are within the responsibility and jurisdiction of other public agencies and are not within the jurisdiction of the State Water Board. Such changes either have been adopted by other relevant agencies or can and should be adopted by such other agencies;
9. Adequate public participation was provided through the CEQA review process for the Project;
10. State Water Board staff will file an NOD for the Project if funding is approved;
11. Resolution No. 2017-0075 states that projects are subject to State Water Board approval if they are determined to be non-routine or controversial; and
12. The Project is considered controversial because the District is in litigation with an individual who is challenging the District's certification of the EIR (CEQA litigation).

## THEREFORE BE IT RESOLVED THAT:

### The State Water Board

1. Authorizes the Deputy Director of DFA or designee to approve Proposition 1 GWGP funds up to \$50,000,000 for the District's Project.
2. Authorizes the Deputy Director of DFA or designee to approve SWIC Loan Program funds for the District's Project, in accordance with the results of the District's credit review, estimated at \$12,535,011 million, with a 1.3% interest rate and 20-year term.
3. Authorizes the Deputy Director of DFA or designee to waive requirements and restrictions of the SWIC Guidelines in a manner consistent with applicable statutes.
4. Authorizes the Deputy Director of DFA or designee to award funds and execute funding agreement(s) with the District for the Project consistent with the amounts in Items 1 and 2, notwithstanding the CEQA litigation.

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5. Authorizes the Deputy Director of DFA or designee to: include conditions in the funding agreement(s) such that DFA may withhold the disbursement of funds until the CEQA litigation is resolved in the District's favor, to the satisfaction of the State Water Board's counsel; include terms in the funding agreement(s) such that the Deputy Director of DFA will terminate the agreement(s) if the ongoing CEQA litigation is not resolved in the District's favor, satisfactory to the State Water Board's counsel, by June 30, 2020; and approve an extension of up to a 120-days for good cause.
6. Authorizes the Deputy Director of DFA or designee to add additional conditions or modify standard conditions in the funding agreement(s) for the Project, as needed.

## **CERTIFICATION**

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on November 19, 2019.

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Jeanine Townsend  
Clerk to the Board